

**CALIFORNIA RURAL HEALTH POLICY COUNCIL**

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**Public Meeting Summary**  
**March 18, 2004**  
**Holiday Inn – Capitol Plaza**  
**Sacramento, CA**

**Council Representatives:**

David Carlisle M.D., Ph.D., Director, Office of Statewide Health Planning and Development (OSHPD)  
Lesley Cummings, Executive Director, Managed Risk Medical Insurance Board (MRMIB)  
Pablo Rosales, Interim Executive Director, California Rural Health Policy Council (CRHPC)  
Ruben Lozano, Deputy Director, Department of Mental Health (DMH)  
Les Johnson, Assistant Director, Department of Alcohol and Drugs Programs (DADP)  
Betsy Lyman, Assistant Director, Department of Health Services (DHS)  
Donna Nicolaus, Emergency Medical Services Authority (EMSA)

- I. **Call to Order – Dr. David Carlisle, OSHPD (served in proxy for Chairperson Stephen Mayberg)**
- II. **Featured Presenter- Sharon Avery, California Telemedicine and e-Health Center (CTEC)**

***“Mapping eHealth Activities in Rural California”***

The mission of the California Telemedicine & eHealth Center is to reduce health disparities through strategic applications of telecommunications and eHealth technologies.

**Next phase 2003 – 2008**

- Expand telemedicine and eHealth programs in California’s underserved communities
- Reduce unique health access barriers
- Online Education
- Online Technical Assistance
- Onsite and Remote Assistance

CTEC has been collaborating with the California Rural Health Policy Council to develop data sets and maps for eHealth sites. The following maps are available on the CRHPC website at [www.ruralhealth.ca.gov](http://www.ruralhealth.ca.gov)

**Displayed maps of the following:**

**Topography of MSSA 2000 Definition for Urban-Rural-Frontier**

Kimberly Belshé, Secretary, Health and Human Services Agency; Kathryn Jett, Director, Department of Alcohol and Drug Programs  
Richard Watson, Interim Director, Emergency Medical Services Authority; Director, Sandra Shewry, Department of Health Services  
Stephen W. Mayberg, Ph.D., Director, Department of Mental Health; David M. Carlisle, M.D., Ph.D., Director, Office of Statewide Health Planning and Development  
Lesley Cummings, Executive Director, Managed Risk Medical Insurance Board; Executive Director, Rural Health Policy Council

California Rural Health Network Hub and Spoke Locations  
Rural E-Mental Health in California  
Northern California Telemedicine Network

The CTEC is in the process of developing a comprehensive database of eHealth sites throughout California. CTEC encourages site personnel to update or include their site on this database. A form will soon be available on the CRHPC website for telemedicine site updates.

For further information regarding telemedicine, go to the CTEC website at [www.cteonline.org](http://www.cteonline.org) or contact Sharon Avery, Executive Director, California Telemedicine & eHealth Center at 916-552-7579.

### **III. Opening Remarks- Pablo Rosales, Interim Executive Director CRHPC**

Supported the importance of eHealth in rural and underserved area of California. Mentioned the continued collaboration of the Policy Council Office and the CTEC to further access to care in California.

Expressed appreciation to the CRHPC staff for their continued commitment to rural healthcare in California.

CRHPC Office's collaboration with the State Senate's International Relations Office for a tour of rural clinics with a dignitary from Mali. The Executive Director and the Rural Health Programs Administrator had the opportunity to visit two clinics. The office would like to thank all those involved in setting up this rural tour – Harold Carlson, Chris Kelsch, and Robin Affirme.

Second Draft of 6<sup>th</sup> Annual Report to Legislature on his desk for last edits and will be reviewed and will be forwarded to the Policy Council shortly for their review and edits.

#### **Participation with California Rural Legislative Caucus**

- Education of Caucus members and their staff regarding rural healthcare issues
- Identify priorities
- Effectively partner with California State Rural Health Association (CSRHA) and the California Healthcare Association (CHA) to promote rural healthcare.

#### **Rural Urban Commuting Area (RUCA) Designation**

The CRHPC composed a letter of support for the CSRHA to be presented to HRSA – Office of Rural Health Policy challenging the RUCA designation. An Analysis of Impact is being developed for an attempt to retain MSSA designation for California

#### The CRHPC webpage

The CRHPC webpage has been redesigned and updated. In the last month our site had over 26,000 hits. This is a valuable resource tool for you and can be accessed at [www.ruralhealth.ca.gov](http://www.ruralhealth.ca.gov). The most recent updates are the E-health maps and E-health Network Form that was mentioned in Sharon Avery's presentation. They are now available on the webpage.

#### Next Public Meeting

The CRHPC will hold our next Public Meeting on Tuesday, May 25, 2004 in San Diego, CA. This meeting will be held in conjunction with the National Rural Health Association's Annual Conference.

### **IV. Introduction of Policy Council Members and Department Updates**

#### ***Betsy Lyman, DHS***

##### Medi-Cal Reform and Redesign

Requested participation of rural constituency in the re-design process. Several workgroups have been developed and need your participation. This project is on a fast track and is a major focus of the Health and Human Services Agency and DHS. Workgroups have met in Los Angeles and will begin to meet in Sacramento. Sacramento and Los Angeles were chosen as meeting sites for ease of access. Teleconferencing is available for these meetings. To participate in this program, go to [www.medi-calredesign.org](http://www.medi-calredesign.org)

##### California Budget:

The budget is an on-going challenge for DHS. Budget hearings are will continue until the budget is resolved.

There was a question about cutting the EAPC program. The Assembly Budget Committee has rejected that proposal.

##### Funding Opportunities:

This week DHS-Primary Care and Rural Care Systems Branch released Request for Applications (RFA) for Expanded Access to Primary Care:

[2004-2007 Expanded Access to Primary Care \(EAPC\) Program RFA](#)

and Rural Health Services Development (RHSD) and Seasonal Agricultural and Migratory Workers (SAMW)

[RFA funding Opportunity \(for state fiscal years 2004-2007\)](#)

The State Office of Rural Health application is out for Critical Access Hospital (CAH/Flex) and Small Hospital Improvement Program (SHIP) funds. The President's budget had de-funded CAH And SHIP, but the Senate refunded it and the State is proceeding with the assumption that the funds exist.

***Les Johnson, DADP***

Funding opportunity

State incentive grant \$3.5 M

[State Incentive Grant \(SIG\)](#) funds for technical assistance and training to recipients to reduce binge drinking among youth and adults ages 12 through 25. Grant deadline April 6, 2004. Distributed by geographic mix and County Administration delegates who can apply from within each county.

Rural concerns:

Rural Counties are having trouble with infrastructure for mandated programs, example - the DUI program.

Federal government has changed its scope to more evidence based programs. Grantees must now do pre and post measuring. Outcomes must be met or lose funding. The Department is implementing a measurement program that everyone must comply with. Everyone will have to measure.

Funding concern:

Proposition 36 funding will disappear in 2006. The responsibilities of this proposition will not be eliminated, just not funded. The Department is attempting to keep funding intact.

***Ruben Lozano –DMH***

Department is facilitating meetings to discuss Medi-Cal reform and mental health.

Additional information is available at [www.dmh.cahwmet.gov](http://www.dmh.cahwmet.gov)

The Federal government issued regulations for DMH. Must review protocol to review DMH Plan

DMH has been given a little flexibility

Protocol will be published in May

This is the first year of a three-year cycle review

***Lesley Cummings- MRMIB***

MRMIB is involved in the work groups for the Medi-Cal redesign

Healthy Families

There is a new administrative vendor for Healthy Families; the vendor transition was successful. In the process of doing some clean up - have recently caught up with application backlog. With the new vendor, applicants can obtain assistance with the application via telephone.

Outreach money was eliminated resulting in a large amount of incomplete applications. If an application is incomplete after 20 days the applicant must reapply.

The Governor's cap for Healthy Families has not been implemented yet, it requires legislative authorization, which to date has not been provided, so it is not currently capped.

The status of the proposed cap can be found on the MRMIB website.  
[www.mrmib.ca.gov](http://www.mrmib.ca.gov)

#### Rural Demonstration Projects

CMS press release- Federal funding for Rural Health Demonstration Projects (\$3M) has not changed. The contract process can be completed.

An Oral Health Demonstration Project by the First Five Commission – the federal government will participate in. Contracts have been decided.

#### ***Donna Nicolaus-EMSA***

##### Planning for Trauma Care

Funding for 2001-2002 planning for trauma care.

Grant projects are predominantly rural. Out of 10 grants, 5 have been approved from rural areas and 4 are in the approval process. Fifteen new trauma centers have opened. A significant amount of these centers are in rural northern California.

EMSA grant in Tulare County will convert all EMT2's to Paramedics

There currently is a five-year Federal grant to put AED's and Deliberators in rural areas.

#### ***Dr. David Carlisle- OSHPD***

"California Prospective in Healthcare 2000" OSHPD's new publication available on the website at [www.oshpd.ca.gov](http://www.oshpd.ca.gov). This publication includes statistics on county and statewide levels.

MIRCAL now available electronically - electronic submissions are now possible over the Internet. Go to <http://www.oshpd.ca.gov/hid/MIRCal/index.htm> for more information.

Our website also includes information on:

Nurse scholarship and loan repayment program.

Mental Health Scholarship and Loan Repayment

OSHPD is under legislative budget review

Song-Brown Program has not received significant cuts

#### **V. Public Testimony**

##### ***Ned Miller, Bloss Memorial Healthcare District***

##### **Commentary:**

Thank you to CRHPC

Reimbursement rate cuts to Rural Health Clinics could have severe effects on rural clinics and hospitals.

The dropping rates for long-term care could greatly harm rural hospitals.

CMS will be using the 2000 census MSA rural designation for rural effective February 21, 2004. This new designation will close about 120 clinics nationwide and about 15 clinics in California.

**Issue:**

Now is the time to address federal funding and designation.  
Has DHS stopped licensing facilities?

**Council Response:**

Betsy Lyman- Will look into licensing and get back to RHPC.  
Pablo Rosales- CRHPC can help put together needed statistics for designations.

***Judith Shaplin, Mountain Health and Community Services, Inc.***

**Commentary:**

Appreciate RHPC

Took policy paper on Medical Service Study Area (MSSA) vs. Rural Urban Commuting Area (RUCA) to HRSA.

Met with Marsha Brand, she is denying request that MSSAs be used for rural designation instead of RUCAs. She is open to exceptions and open to looking at why the RUCA methodology doesn't work. Currently the California State Rural Health Association (CSRHA) is asking for letters from legislatures, but it is a HRSA administrative decision.

San Diego County cannot participate in telemedicine reimbursement since it is Federally designated as an urban area. Radiology is the only reimbursement rate currently available. Dr. Duke of the Office of Rural Health Policy made a site visit to Campo and was amazed that this was not designated as a rural area.

Invited Council members to visit clinics in East San Diego County - to see rural San Diego.

**Issue:**

Code 18-Medi-Cal reimbursement rate. RHC-PPS Rate is actually paying the state \$2.15 for each Medi-Cal reimbursement request. There is no adjustment for Code 18 wrap around rate. The impact as been to being forced to lay off staff, and staff not getting paid. Rural facilities cannot take this financial hit. The money owed to the RHC by the state is not being paid. Reimbursement will only go back as far as 13 months- but needs to go back about 3 years. Contact that has been made with the DHS office over the past year has been frustrating.

Ms Shaplin gave the representative from DHS documents regarding this issue.

**Council Response:**

Betsy Lyman: DHS will look into it.

***Melvin Patasnick, Sierra Kings Hospital***

**Issue:**

Is there any connection or dialogue between rural health clinics, Primary Care Licensing and Medi-Cal planning?

**Council Response:**

Betsy Lyman: Yes. DHS is facing many challenges and staff reductions. Not able to do everything they should do.

***Steve Russo, Healthcare Financial Solutions***

**Issue:**

Rural Health Clinics, Definition of Rural

Only applicable rural designation to RHCs is census definition

DHS is using erroneous rural eligibility designations, which is a mistake and is stopping Rural Clinics from getting licensure. RHCs are not part of an organized area. Look at existing rural health clinics. Worried about future use of definitions.

**Council Response:**

Betsy Lyman: Asked for Sam Wilburn's input. No response. (Sam Willburn – DHS, Chief, Primary and Rural Healthcare Systems Branch) Give DHS specifics.

***Raymond Hino, Tehachapi Valley Healthcare District, Kern County***

**Issue:**

Nurse-Patient-Ratios are a problem for rural hospitals.

My 24-bed hospital is the only hospital within 50 miles.

Ratio has resulted in delayed surgery and intake.

From the rural perspective there is the unanticipated effect: The hospital usually transfers patient out of facility who need to be in an Intensive Care Unit.

They are now unable to transfer the patients due to bed closures. There is nowhere to transfer patients. These patients that need ICU care are being forced to stay in the emergency room because there is no ICU available.

***John Moore, Dinuba Medical Clinic***

**Issue One:**

What happens when you cut 5-10% of Medi-cal? In Dinuba, the number of pharmacies that take Medi-cal dropped from four to two. Prescriptions are now only filled next day. Pharmacy vendors are overwhelmed, so they are making mistakes-losing prescriptions. Some patients are waiting three days for prescriptions. There is a 33% savings in rural clinics compared to private practice. Cuts that are coming down are going to cut preventative care in rural clinics. This will be a 33% increase in cost of medical services and will lead to the loss of providers in rural areas.

**Issue Two:**

Tulare County mental health does everything. No private providers for mental health. County clinic takes 11 months to see a patient.

**Issue Three:**

Loan forgiveness contract should be changed to read, "you will be assigned" a place to practice

**Council Response:**

Betsy Lyman: DMH will get back to him

Gail Nickerson (audience member) There is a carve-out for Rural Health Clinics and FQHC's to provide mental health.

Ruben Lozano: Let's talk after the meeting to see how I can help you.

Pablo Rosales: Provided information on OSHPD's Pathway Continuum

***Richard Rawson, Selma Community Hospital***

**Issue:**

Procedural Issues for RHCs:

1. Timing of licensure- it is taking 3 months to get licensure

2. Rate setting is taking a long time

Agricultural areas are highly dependent on rural health facilities. 400,000 visits.

Rate reduction to rural clinics could be potentially catastrophic for rural health system, leading to closures and bankruptcy.

Rural Health Clinics often fund the hospitals. The de-certification of rural clinics leads to nowhere for people to go for healthcare in rural areas.

Rural areas have high rates of unemployment and uninsured.

Cuts will lead to closure- patients will be forced to go to emergency rooms.

There are gaps in access in area of primary care, especially for specialists.

Rate structure changes will make specialists leave rural health.

**Council Response:**

Betsy Lyman: Medi-Cal will be looked at because it is large part of the budget.

Encourage people to talk to legislatures and take part in the Medi-Cal Re-design meetings.

***Mary Huttner, California Healthcare Association – Rural Healthcare Center***

Discussed the importance of having the Rural Health Policy Council.

Very efficient staff, no stable funding, small budget

Need to discuss stable funding

Model of a policy body

Appreciates MRMIB's safety net commitment

Currently collaborating with the CRHPC Office for data of rural hospital based clinics, and mapping of California's Critical Access Hospitals (CAH)

Medi-Care Provision: CAH's are restricted to 14 beds, 10 behavioral health beds. There is a potential for collaboration with DMH and rural hospitals. The Mental Health Director Board needs a rural presence.

Wants to work with Department of Alcohol and Drugs- needs a point person within the department.

No vehicle within DHS to address rural issues.

**Council Response:**

Dr. Carlisle: Funding comes from DHS and Secretary Belshé has made it clear that the Council is a high priority to the agency.



***Darren George, C2P Group***

**Issue:**

What is the implementation for SB376?

Establishes a pilot project, until January 1, 2011, to allow the direct employment of 20 physicians and surgeons by qualified district hospitals. Limits the total number of physicians and surgeons employed by a qualified district hospital to no more than two at a time.

**VI. Closing Remarks**

Dr. Carlisle again thanked the California Healthcare Association – Rural Healthcare Center for inviting the Council to their symposium. He also thanked the audience for coming and sharing information/comments.

**VII. Adjourn to conference**